

VISION – TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

Bismarck, North Dakota

INFORMATION SYSTEM AUDIT

For the period July 1, 1999 through December 31, 2000

Client Code 2400

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TRANSMITTAL LETTER

March 23, 2001

Honorable John H. Hoeven, Governor
Members of the North Dakota Legislative Assembly
Carol K. Olson, Executive Director, Department of Human Services

Transmitted herewith is the information system audit of the Vision system for the period July 1, 1999 to December 31, 2000. This audit resulted from the statutory responsibility of the State Auditor under NDCC § 54-10-01.

The Vision system is used to administer the Temporary Assistance for Needy Families (TANF) program.

The Vision system was selected for this audit because it is considered a high-risk information system for the State of North Dakota according to the Application Risk Assessment Report of all state computer systems issued by the State Auditor's Office April 24, 2000. Risk was evaluated based on several factors, including, but not limited to, size and complexity of the system, sensitivity of the data, and regulatory requirements. "High-risk" does not necessarily indicate problems with the system, but indicates a higher potential for significant problems to occur. We wish to express our appreciation to the Department of Human Services for the courtesy, cooperation, and assistance provided to us during this audit.

Inquiries or comments relating to this audit may be directed to Donald LaFleur, Information Systems Audit Manager, by calling (701) 328-4744.

Respectfully submitted,

Robert R. Peterson
State Auditor

EXECUTIVE SUMMARY

The purpose of this report is to provide our analysis, findings, and recommendations regarding our audit of the Vision system. This audit was primarily an information system audit; however, we also addressed operational issues related to the Vision system and its operation within the Department of Human Services.

The Vision system is used to administer the Temporary Assistance for Needy Families (TANF) program. A project is currently underway to move the Medicaid program to Vision; future plans are to also move the Food Stamp program to Vision.

The Vision system was selected for this audit because it is considered a high-risk information system for the State of North Dakota according to the Application Risk Assessment Report of all state computer systems issued by the State Auditor's Office April 24, 2000. Risk was evaluated based on several factors, including, but not limited to, size and complexity of the system, sensitivity of the data, and regulatory requirements. "High-risk" does not necessarily indicate problems with the system, but indicates a higher potential for significant problems to occur.

Our audit resulted in the following significant findings:

- Inappropriate access and former employees still having access to Vision **Page 11**;
- Unused or never used user accounts **Page 12**;
- Programmers with access to Vision **Page 12**;
- Passwords stored in clear text **Page 13**;
- Unresolved social security number problems **Page 14**;
- Inadequate input controls on the income work screen **Page 15**;
- Improper segregation of duties between entering data and authorizing payments **Page 16**.

Noteworthy Accomplishment

Beginning in grant year 1999, bonus funds were awarded to states for ranking in the top ten among all participating states and territories in one of four categories (job placement, job success (measured by retention and earnings gains), biggest improvement in job placement and biggest improvement in job success. In grant years 1999 and 2000 North Dakota received high performance bonus for ranking 5th and 9th in job placement, respectively, in grant years 1998 and 1999.

BACKGROUND INFORMATION

System Overview

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 enacted the Temporary Assistance for Needy Families (TANF) program. This act modified subchapter IV-A of Social Security to establish TANF for the purpose of increasing the flexibility of States in operating a program designed to:

- (1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
- (2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- (3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
- (4) encourage the formation and maintenance of two-parent families.

The Office of Economic Assistance began working on a Welfare Reform Demonstration project in early 1993. By 1994 a plan had taken shape and a decision was made to build in a new application that would serve as a platform for a welfare reform demonstration project. This demonstration project would combine benefits under the Aid for Dependent Children (AFDC) program, the Food Stamp program and the Low Income Home Energy Assistance program (LIHEAP) into a single cash payment based on a percentage of the poverty level. The project would focus programmatically on identifying and rectifying barriers to self-sufficiency with case management services. The demonstration project, and the new application, was known as Training, Employment, Training, and Management (TEEM).

The TEEM system would include eligibility determination, benefit payment, and the assessment (case management) portion that would be used to form a "social contract" to achieve self-sufficiency, with the recipient household. Eligibility would be tied to the existence and maintenance of this social contract as well as financial and other factors. Development of the assessment module began in December 1994 and was placed into production in the spring of 1995 in a pilot county. Development of the eligibility portion began immediately following that and was deployed to a pilot county late in the spring of 1996 and then to the other 10 pilot counties. After passage of federal welfare reform TEEM was deployed statewide beginning in July 1997. Deploying TEEM as North Dakota's TANF program ended the original demonstration project. Federal Food Stamp officials refused to continue the case out of Food Stamp benefits. North Dakota chose to no longer cash out LIHEAP. As a consequence of these changes, the TEEM system was then used exclusively for administration of the TANF program in North Dakota.

As a result of Welfare Reform, the Health Care Financing Administration (HCFA) made available funding for states to deal with the impact of the changes to Medicaid. North Dakota chose to use available HCFA funding to build an automated eligibility system for

the newly de-linked Medicaid program. That has led to the current development, the TANF Medicaid Enhancement project, which builds on the TEEM system. Because the TANF program will be referred to as “TANF,” rather than “TEEM,” and because the enhanced system will administer both TANF and parts of the Medicaid program, the enhanced system was renamed “Vision”.

Department of Human Services'
Estimated TANF Funds and Expenditures
Based on Actual Expenditures through December 2000
1999-2001 Biennium

TANF BLOCK GRANT FUNDS				
	FEDERAL			TOTAL
<i>Funds at end of 1997-1999 Biennium</i>	7,408,975			7,408,975
<i>1999 TANF Grant (@ 25%)</i>	6,599,952			6,599,952
<i>2000 TANF Grant</i>	26,399,809			26,399,809
<i>2000 High Performance Bonus</i>	887,212			887,212
<i>Transfer to Child Care</i>	(500,000)			(500,000)
<i>2001 TANF Grant (@ 75%)</i>	19,799,856			19,799,856
<i>2001 High Performance Bonus</i>	1,319,990			1,319,990
Total TANF Funds	61,915,794			61,915,794
Expenditures				
	FEDERAL	GENERAL	SPECIAL	TOTAL
Assistance to Needy Families				
<i>TEEM Benefit</i>	10,117,123	8,259,642	7,133,240	25,510,005
<i>TANF Child Care</i>	2,107,775	-	-	2,107,775
	12,224,898	8,259,642	7,133,240	27,617,780
Job Preparation				
<i>TANF Work Activity – Support Payments</i>	555,508	-	-	555,508
<i>JOBS – Transportation</i>	1,321,895	-	-	1,321,895
<i>JOBS – Client Services</i>	2,539,409	-	-	2,539,409
<i>JOBS – Support Services</i>	679,772	-	-	679,772
<i>Subtotal</i>	5,096,584	-	-	5,096,584
Formation & Maintenance of Families				
<i>Family Focused Services</i>	1,190,616	-	-	1,190,616
<i>Child Abuse & Neglect Investigations</i>	3,471,126	-	-	3,471,126
<i>Parent Aid</i>	1,356,768	-	-	1,356,768
<i>Intensive In-Home Services</i>	1,279,325	-	-	1,279,325
<i>Foster Care Emergency Assistance</i>	10,297,476	63,476	588,343	10,949,295
<i>Subtotal</i>	17,595,311	63,476	588,343	18,247,130
Other				
<i>Systems Maintenance & Operations</i>	2,733,799	-	-	2,733,799
<i>Systems – Financed Development</i>	3,348,515	-	-	3,348,515
<i>County:</i>				
<i>Emergency Assistance – Case Mgmt.</i>	2,650,000	-	145,308	2,795,308
<i>TANF Assessments</i>	690,735	-	-	690,735
<i>Subtotal</i>	9,423,049	-	145,308	9,568,357
Administration				
<i>JOBS Contract Administration</i>	429,147	-	-	429,147
<i>State Office Administration</i>	2,207,282	-	-	2,207,282
<i>County Administration</i>	3,143,575	-	-	3,143,575
<i>Subtotal</i>	5,780,004	-	-	5,780,004
Child Care Maintenance of Effort				
<i>Child Care Maintenance of Effort</i>	-	-	2,034,072	2,034,072
<i>Subtotal</i>	-	-	2,034,072	2,034,072
Total Expenditures	50,119,846	8,323,118	9,900,963	68,343,927

TANF Funds are estimated to be \$11,795,948 (61,915,794 TANF Funds less 50,119,846 Federal Expenditures) at the end of the 1999-2001 Biennium.

TANF Grant Awards by Grant Year

GRANT AWARD					
	1997 (1Qtr)	1998	1999	2000	2001
<i>Grant Award</i>	11,066,221	26,399,809	26,399,809	26,399,809	26,399,809
<i>Bonus</i>				887,212	1,319,990
Total	11,066,221	26,399,809	26,399,809	27,287,021	27,719,799

TANF block grant awards are set through grant year 2002. The program is then subject to reauthorization at the federal level. Funds are available to the State until expended for the purpose of providing assistance under the TANF program. Current year TANF funds may be expended on assistance or non-assistance during the current fiscal year. Prior year TANF funds can either be spent on assistance and related administrative costs associated with providing such assistance or on non-assistance provided the funds are obligated by September 30 of the current fiscal year and are spent in the immediately following fiscal year.

TANF Maintenance of Effort Expenditures by Grant Year

Maintenance of Effort Expenditures					
	1997 (1Qtr)	1998	1999	2000	2001
<i>State MOE</i>	2,438,374	9,673,984	9,069,360	9,069,360	9,069,360

Maintenance of Effort (MOE) funds are state funds that must be spent on the TANF program. States must meet their Maintenance of Efforts requirements or a penalty results. Maintenance of Effort levels are set at 80% of the amount of non-Federal funds the state spent in fiscal year 1994 on Aid to Families with Dependent Children (AFDC) or at 75% of that amount for states that meet their work participation rates. North Dakota's Maintenance of Effort amount was set at 9,673,984 (80% of 12,092,480) for Federal Fiscal Year 1998, and one fourth of that amount for one quarter of Federal Fiscal Year 1997 in which North Dakota received a TANF grant. This amount was subsequently reduced to 9,069,360 (75% of 12,092,480) due to the state meeting its work participation rate.

TANF Cases by Grant Year as Reported by Human Services

TANF Cases					
	1997 (1Qtr)	1998	1999	2000	2001 (Mar 01)
<i>Cases</i>	3,784	3,274	3,003	2,802	2,840

The number of cases is the monthly average for the grant period represented by Federal Fiscal Year. The 1997 period represents the average of the final quarter of Federal Fiscal Year 1997. The 2001 period represents the average of the first two quarters of Federal Fiscal Year 2001. A case represents the deprived child(ren) and family residing with the deprived child(ren). Each case must have one primary individual who is the person applying for the assistance.

Noteworthy Accomplishment

Beginning in grant year 1999, bonus funds were awarded to states for ranking in the top ten among all participating states and territories in one of four categories (job placement, job success (measured by retention and earnings gains), biggest improvement in job placement and biggest improvement in job success. In grant years 1999 and 2000 North Dakota received high performance bonus for ranking 5th and 9th in job placement, respectively, in grant years 1998 and 1999.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objective of this audit of the Vision system for the period July 1, 1999 to December 31, 2000 was to answer the following questions:

1. Are pervasive controls as they relate to the Vision system adequate?
2. Are security controls for the Vision system adequate?
3. Does Vision correctly determine eligibility for the TANF program?
4. Are reporting requirements for the TANF program being met?
5. Does the Vision system collect the necessary data to determine if the TANF program is achieving its objectives?

This audit was conducted in accordance with the *Standards for Information Systems Auditing* issued by the Information Systems Audit and Control Association and *Government Auditing Standards*, issued by the Comptroller General of the United States.

ARE PERVASIVE CONTROLS AS THEY RELATE TO THE VISION SYSTEM ADEQUATE?

Summary of Audit Work Performed

Pervasive controls are those controls designed to manage and monitor the information systems environment and therefore, affect all information systems related activities. Detailed controls are controls over the acquisition, implementation, delivery, and support of information systems. Detailed controls are specific to each individual application. The effectiveness of the detailed information system controls within an organization is limited by the effectiveness of the pervasive controls.

The Information Technology Department (ITD) is responsible for many of the pervasive controls for information systems of state agencies. We relied on the results of our general controls audit of ITD for the following controls:

- Define an information technology plan to strike an optimum balance of information technology opportunities and information technology requirements.
- Define the information technology organization and relationships to deliver the right information technology services with effective direction and adequate control.
- Manage quality in information systems development to meet the information technology customer requirements.
- Manage changes to information systems to minimize the likelihood of disruption, unauthorized alterations and errors.
- Ensure continuous service to make sure information technology services are available as required and to ensure a minimum impact in the event of a major disruption.
- Manage facilities to provide a suitable physical surrounding which protects the information technology equipment and people against man-made and natural hazards.

The Department of Human Services is responsible for other pervasive controls as they relate to Vision. The pervasive controls and testing used to review them include:

- Ensure continuous service to make sure information technology services are available as required and to ensure a minimum impact in the event of a major disruption.
 - Reviewed the Department of Human Services' contingency plan and network server backup procedures.

- Develop and maintain procedures to ensure the proper use of the application.
 - Reviewed the TANF Eligibility Manual, TANF Determination of Need Manual, Vision Training Manual, and on-line help in Vision to ensure:
 - manuals reflected current functionality of the system;
 - contents of the manuals were adequate; and
 - ongoing maintenance of the manuals is occurring.
- Manage problems and incidents to ensure that problems and incidents are resolved, and the causes investigated to prevent recurrence.
 - Reviewed the Vision help desk procedures and problem logs.

Auditor's Opinion

In our opinion, pervasive controls as they relate to the Vision system are adequate.

ARE SECURITY CONTROLS FOR THE VISION SYSTEM ADEQUATE?

Summary of Audit Work Performed

Security controls are necessary to safeguard information against unauthorized use, disclosure, modification, damage, or loss. Proper security controls ensure that access to systems, data, and programs is restricted to authorized users.

To test security controls for the Vision system, we obtained a list of user access rights. Access is granted through the use of user profiles. Each profile grants certain access rights to the user. A user account can have one or more user profiles assigned to it. The user selects which profile to use when signing on to the system. This list contained 233 users.

We tested this list to ensure that access rights were based on an individual's demonstrated need to view, add, change, or delete data. We also matched the list of users against a current list of employees from the Department of Human Services and the counties to identify former employees who still have a user account.

Audit Findings

Inappropriate access and former employees still having access to Vision

We identified four users with inappropriate access rights. Access should be based on the individual's demonstrated need to view, add, change, or delete data. Granting access beyond what is necessary creates a risk that the additional access can be exploited for unauthorized uses.

In addition, we identified seven user accounts where the Department of Human Services or a county no longer employed the employee. Management should establish procedures to ensure timely action relating to the closing of user accounts. Keeping user accounts active for former employees creates a risk of unauthorized access.

Recommendation:

We recommend the Department of Human Services do an annual review of all user accounts to verify that access is appropriate and ensure timely action relating to suspending and closing user accounts.

Agency Response:

The Department agrees and a review of all user accounts shall be conducted at least annually to verify that access is necessary. The four user accounts created during implementation with the Security Profile were removed. The four accounts were initially created due to a need for significant redundancy, which may no longer be necessary. DHS will monitor the situation to determine whether the removal of these four user accounts with the Security Profile creates any significant customer service issues.

Unused or never used user accounts

Our testing of the Vision user list disclosed 61 users who had not used their account for the last 90 days. Of these, 36 users still had the initial password assigned to the account, indicating the account had never been used. User accounts are locked out after 90 days of not being used and users must call the help desk to have the account re-enabled. However, access should be provided based on the individual's demonstrated need to view, add, change, or delete data; accounts not used for 90 days or never used are an indication that the account may not be needed.

Recommendation:

We recommend the Department of Human Services remove unnecessary user accounts and provide access based on the individual's demonstrated need to view, add, change, or delete data.

Agency Response:

The Department agrees with the recommendation and has removed six user accounts deemed to be outdated. The Department reviewed the remaining user accounts and determined they were necessary at the current time. "Automatic lock-out" requiring Help Desk intervention for reactivation was implemented as a part of the initial system safeguards established to prevent unauthorized access and remains in effect. Determination of the other 55 user accounts remaining active was based upon one or both of the following criteria applicable to circumstances in which non-use for 90 days is not a reliable indication that the account is not needed:

1. County Director – The County Directors should have the ability to review cases within their area of responsibility at their discretion.
2. Backup to the Primary Caseworker – As with all benefit programs, an individual should be designated to respond and act in place of (or in addition to) the Primary Caseworker should the need arise. Many Counties do not have the volume of cases to justify the backup individual logging into the system on a regular basis. In some cases, it has not been necessary since the system was implemented. Nevertheless, the need for someone to have the ability to act in this capacity is recommended for overall system functionality.

Programmers with access to Vision

While testing the Vision user accounts we identified a user account with update access that was used by programmers at ITD to access the system. Segregation of duties should be maintained between information system use and systems development and maintenance. Without proper segregation of duties there is a risk that a single individual could subvert a critical process. Human Services removed the update access for this account once it was brought to their attention.

Recommendation:

We recommend the Department of Human Services ensure the maintenance of proper segregation of duties by limiting the access given to Information Technology Department programmers when it is necessary for them to have access.

Agency Response:

The Department agrees and limited access to the Information Technology Department the day it was identified by the audit team and changed access from an Update Profile to an Inquiry Profile. The user account was set up during the initial implementation and testing of the TEEM Welfare Reform Demonstration System and had not been updated upon completion of the system.

Passwords stored in clear text

Passwords stored in the Vision system are stored in clear text. Users with access to the proper table can see the passwords for all user accounts. Passwords should be protected at all times against disclosure.

Recommendation:

We recommend the Department of Human Services establish procedures to have the Vision system passwords encrypted or otherwise protected against disclosure.

Agency Response:

The Department agrees and has submitted a work order to the Information Technology Department requesting that these passwords be encrypted. This work order has been prioritized as Priority 1, which indicates that the work is to be completed as soon as possible. DHS anticipates this item will be corrected within 3 to 4 months, possibly sooner depending upon other pending ITD work requests.

Auditor's Opinion

In our opinion, except for the deficiencies referred to in the preceding paragraphs, the security controls for the Vision system are adequate.

DOES VISION CORRECTLY DETERMINE ELIGIBILITY FOR THE TANF PROGRAM?

Summary of Audit Work Performed

Financial assistance is available through the Temporary Assistance for Needy Families (TANF) program to assist needy children who have been deprived of parental support or care.

County social service offices are responsible for administering the TANF program. Information is gathered monthly on household relationships, pregnancy and education information, deprivation and reason, living arrangement, citizenship, residence, marriage, sanctions, felony information, disqualifications, assets, income, and expenses. This information is then entered into Vision.

Eligibility rules for TANF are built into Vision. Vision ensures all necessary data is input for each TANF case and determines eligibility.

We tested Vision to ensure the system correctly applied eligibility rules. We performed a “walk-through” of the Vision system to gain an understanding of the system. We then performed analytical reviews of data, submitted test data, and reviewed important tables to ensure that edit checks were in place and eligibility rules were applied correctly and consistently.

Audit Findings

Unresolved Social Security Number problems

The Department of Human Services verifies each client's social security number, first two letters of the first name, first three letters of the last name, and date of birth with the Social Security Administration. If these fields do not match, the client record is flagged. Although the information returned from the Social Security Administration includes a description of which field(s) are in question, this information is not included in the Vision System for caseworkers to reconcile discrepancies. Of 2,991 TANF cases that received benefit checks for February 2001, 389 cases contained at least one member that was flagged. While some of these cases can't be resolved due to inaccurate data in the Social Security Administration's databases, there are too many cases with members flagged.

Recommendation:

We recommend the Department of Human Services implement procedures to ensure information that does not match the Social Security Administration records is accurate for each client.

Agency Response:

The Department agrees with the recommendation. There are two phases to correcting the finding. First, all the cases containing an "I" in a key field will be resent along with a manual report requesting the caseworkers manually correct the discrepancies. Second, North Dakota has been invited to be the first state in the Denver Region to move to on-line real-time inquiries with the Social Security Administration. We are currently beginning negotiations with the Social Security Administration to make that occur. A potential completion date at this point is uncertain.

Inadequate input controls on the income work screen

The edit checks on the income work screen (used primarily for self-employment income) to ensure a client's income is correct are not adequate. When using the income work screen (used to enter and total various income information) to edit income amounts, the total income may be incorrect, unless the caseworker ensures that the total income is recalculated after editing. Also the system defaults the number of periods (the number of months the income was earned for) to 1 and the share (indicating the client's percentage of income from a partnership) to 100, instead of using the values previously recorded in the file. If these values are not changed back to the correct values the total income will be calculated incorrectly. Finally, when entering client income on the income work screen, the share is allowed to be -99 to 999 when valid values should only be 0% to 100%. Transaction data entered for processing should be subject to a variety of edit checks for accuracy, completeness, and validity. Current edit checks could result in incorrect income amounts or discrepancies between the monthly income and income detail files.

Recommendation:

We recommend Department of Human Services modify input controls on the income work screen to ensure income amounts are properly recorded on the data files.

Agency Response:

The Department agrees and had submitted a work order to the Information Technology Department in December of 1999 to correct the work screen area of the system. Currently the work screen does not retain the percentage of income to be used and the number of months over which it should be pro-rated. All 51 instances (28 cases) where this may have been an issue were reviewed and recalculated – no errors were identified. Since the potential does exist for error, as of May 11, 2001 the December 1999 work order will be reprioritized to Priority 1. DHS anticipates this item will be corrected within 3 to 4 months, possibly sooner depending upon other pending ITD work requests.

Improper segregation of duties between entering data and authorizing payments

Caseworkers are responsible for inputting case data and authorizing cases for payment. Social security and income verification warnings also go to the caseworker for resolution. Proper segregation of duties should be maintained so that no single individual could subvert a critical process. Without proper segregation of duties there is an increased risk for unauthorized transactions.

Recommendation:

We recommend the Department of Human Services implement proper segregation of duties so that caseworkers do not have full control of cases from input to authorization and payment.

Agency Response:

The Department fully understands the need for proper segregation of duties, however, has little ability to make these changes. The Department of Human Services is responsible to supervise the administration of the TANF program throughout the state of North Dakota (NDCC 50-09-02). It is the obligation and responsibility of the Board of County Commissioners of each county to appropriate and make available an amount sufficient to pay the local expenses of administration of locally administered economic assistance programs (NDCC 50-03-08). These locally administered economic assistance programs include the TANF program. In most instances, there is not the staff available, nor the funding available to split control of cases from input to authorization or payment. Due to Legislation enacted during the 1997 Legislative Session known as "SWAP", the state no longer pays the county for administration of economic assistance programs and any costs to change our current process would be passed directly to the counties. Also, given the limited number of TANF cases established in certain counties, the increased costs to hire additional staff in order to segregate the authorization and payment process exceeds the benefit that would be derived from such segregation of duties.

Due to the inability of the Department to directly control the administration of the county operations, the Department believes current mitigating controls exist to deter and detect payments to ineligible persons under the TANF program based on the established internal review process. This process includes an eligibility review process for all Medicaid cases and all Food Stamp cases. Recipients under the Medicaid and/or the Food Stamp programs are more often than not a recipient under the TANF program as well. A TANF case without a corresponding Medicaid or Food Stamp case would be extremely rare. Both the Medicaid and Food Stamp programs perform these reviews by sampling eligible and denied cases, not by claims paid. TANF cases would have the same potential for review – which includes actual interviews with the applicant or recipient.

Auditor's Opinion

In our opinion, the Vision system does correctly determine eligibility for the Temporary Assistance for Needy Families program in all material respects.

ARE REPORTING REQUIREMENTS FOR THE TANF PROGRAM BEING MET?

Summary of Audit Work Performed

There are several federal reports required for the Temporary Assistance for Needy Families (TANF) program. The reports can be classified as either Financial Reports or Performance Reports.

Financial Reports:

- TANF Financial Report

Performance Reports:

- TANF Caseload Reduction Report
- TANF Data Report
- Separate State Program-Maintenance of Effort Data Report

We verified these reports were accurately prepared and submitted on time.

Auditor's Opinion

In our opinion, reporting requirements for the Temporary Assistance for Needy Families program are being met.

DOES THE VISION SYSTEM COLLECT THE NECESSARY DATA TO DETERMINE IF THE TANF PROGRAM IS ACHIEVING ITS OBJECTIVES?

Summary of Audit Work Performed

42 U.S.C. § 601 states that “The purpose of the Temporary Assistance for Needy Families (TANF) program is to increase the flexibility of States in operating a program designed to:

- provide assistance to needy families with children so that the children can be cared for in their own homes or in the homes of relatives;
- end dependence of needy parents on government benefits by promoting job preparation, work and marriage;
- prevent and reduce out-of-wedlock pregnancies, including establishing prevention and reduction goals; and
- encourage the formation and maintenance of two-parent families.”

The required TANF performance reports are used to calculate several performance measures such as the work participation rate, caseload reduction rate, job retention, earnings gain, etc. The Department of Health provides the Department of Human Services with out-of-wedlock pregnancy and birth rates annually.

Auditor’s Opinion

In our opinion, data necessary for adequately monitoring the success of the Temporary Assistance for Needy Families program is being gathered.